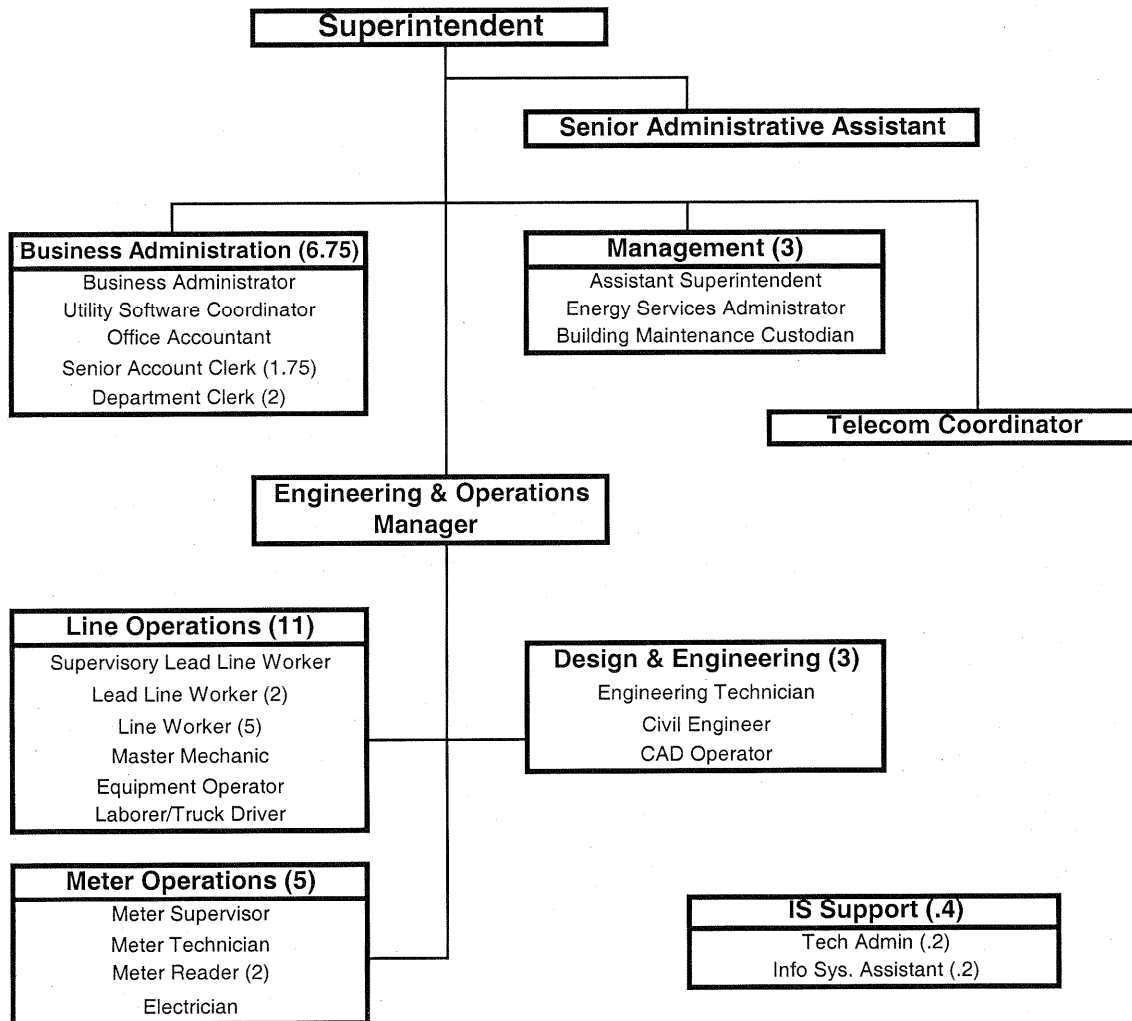


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MUNICIPAL LIGHT PLANT
Organization Chart



Personnel:

Full Time: 33.2

Concord Municipal Light Plant Organization Support Statement

I. Mission

The mission of the Concord Municipal Light Plant is to provide reliable and cost effective electric energy services that meet the current and future needs of our customers, and to do so in a responsible and courteous manner.

II. Goals and Objectives

- **Customers.** We will continually strive to remain customer focused, and always seek to improve the way in which we deliver services to our customers. We will constantly review value added opportunities in the marketplace that might enhance deliverable services to our customers.
- **Employees.** We will maintain a safe and positive work environment, and provide the opportunity for professional and personal development. We will properly train employees for their responsibilities, and ensure that they are regularly updated in current developments in their disciplines. We will ensure that employees interact in a courteous, professional manner with their fellow employees, other Town and School employees, and the community.
- **Power Supply.** We will develop and maintain a reliable and secure supply of electric energy at a reasonable cost.
- **Rates.** We will deliver energy and associated services at competitive rates that are fair to all customer segments, and based upon a reliable system and sound financial management.
- **Environment.** We will meet or exceed applicable environmental regulations, keeping our customers informed of our progress and the costs involved. We will promote environmental research while exploring and evaluating new methods for disposing of waste material in a responsible manner.
- **Physical Assets.** We will engineer, construct, and maintain an electrical distribution system and related facilities and equipment that will meet current and future customer needs and requirements. We will explore and evaluate the latest in technology and methods to achieve this objective.
- **Efficiency.** We will develop and implement energy conservation and load management programs designed to reduce system load while improving load factor; and educate our customers in energy efficiency and the wise use of energy.

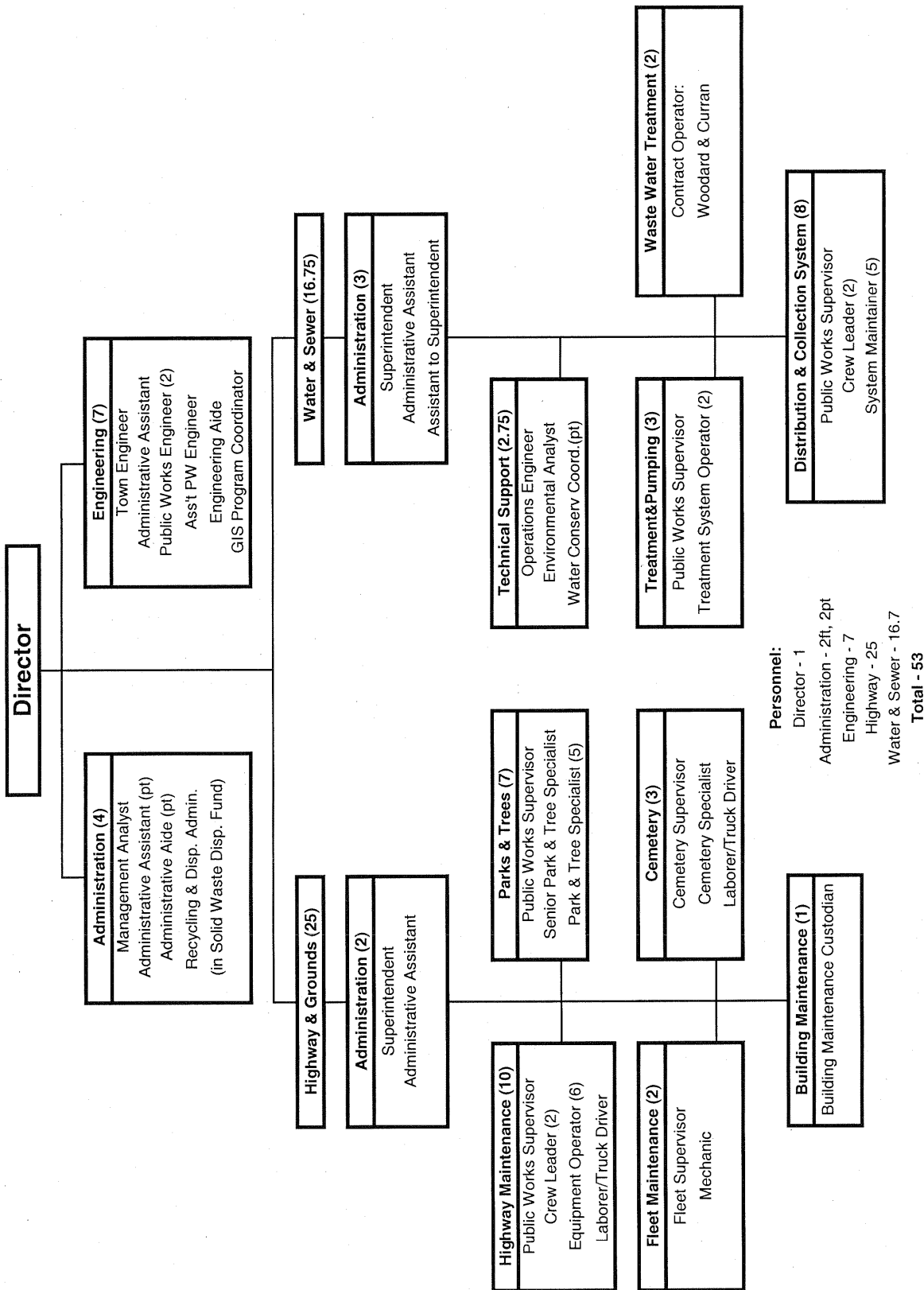
III. Operational Description

The Concord Municipal Light Plant is owned by the Town of Concord, and is responsible for the distribution of electricity to all residents, businesses, and other customers within the town. The Light Plant installs and maintains all the poles, wires, transformers, meters, streetlights, underground conduits, and other electrical distribution equipment within the town. The electricity is not generated by the Light Plant but purchased from outside suppliers, including hydroelectric energy from the New York State Power Authority. In addition to providing and maintaining reliable electric service, the Light Plant also offers customer programs in the areas of energy conservation, demand-side management, and off-peak domestic water heating and space heating.

IV. Board/Commission Involvement

The Concord Municipal Light Board is comprised of five members appointed by the Town Manager in accordance with Section 2 of the Town Charter. Members are appointed for staggered three-year terms. The board provides recommendations to the Town Manager concerning the general operation and maintenance of the Light Plant, formulates policy for the ongoing operation and future development of the electrical supply and distribution system, and cooperates with the staff of the Light Plant to ensure that customer needs are satisfied in an appropriate and efficient manner.

PUBLIC WORKS Organization Chart



Concord Public Works Organization Support Statement

I. Mission

It is the mission of Concord Public Works to enhance Concord's quality of life, and through sound management, innovation, teamwork, and vision, provide dependable, high quality, responsive public works and utility services consistent with community values, and at reasonable costs.

II. Goals and Objectives

The Concord Public Works will:

- Maintain the town's public way infrastructure, including streets, curbing, sidewalks, street signs, traffic islands, public shade trees, guardrails, storm drains, catch basins, and culverts.
- Maintain and beautify the Town's active and passive recreation areas, including parks and athletic fields, municipal grounds, and park tree inventory.
- Operate, maintain, and preserve the town's public cemeteries.
- Manage the municipal collection, recycling, and disposal of solid wastes.
- Operate and maintain the town's public wastewater collection/treatment/ disposal system.
- Operate and maintain the town's public drinking water system, including its supply, treatment, distribution, and storage; and promote water conservation and supply protection.
- Provide engineering services for Town departments and the public.
- Provide managerial leadership and administrative support for the effective and efficient accomplishment of the above goals.

III. Operational Description

Resources necessary to carry out CPW's responsibilities are grouped into four organizational divisions: **Administration** includes management of the Recycling and Collection Program; **Engineering** includes management of the Town's GIS system; **Highway and Grounds** include highway, grounds, cemetery, fleet, and maintenance of the CPW building; and **Water and Sewer** include the management of both the public water and sewer systems. Management of these divisions requires a high level of interdivisional coordination, communication, and support.

1. Administration

This division is responsible for general management, administrative support, and overall program/project planning for the CPW's operations. In addition, the CPW Director and staff provide support for the Public Works Commission and several ad hoc committees. Division responsibilities include the integration of financial, operating, and capital resources for effective and efficient service delivery and asset management. Functions performed in coordination with division staff include planning, programming, budgeting, organization and staffing, systems development, data processing management, maintenance of central files, and public information services. The division manages the Town's Solid Waste and Recycling Program, with curbside collection and disposal services provided under contract.

2. Recycling and Waste Management

Led by the Recycling and Disposal Program Administrator, this program manages all aspects of the Town's recycling and waste management program. This program includes curbside

collection, recycling, and disposal provided under contract to residents, municipal buildings, and schools; the semi-annual drop-off days for additional recyclable materials and oversized waste not collected at the curb; and recycling and trash collection services for public areas. This program serves as a resource for residents, businesses, and employees on recycling and disposal issues, develops outreach and educational materials, provides guidance and oversight to municipal buildings and school recycling programs, assists all departments in the purchasing of products containing recycled materials, promotes the use of the composting site, and oversees the paint reuse and recycling program, as well collection of fluorescent bulbs and other mercury-containing devices.

3. Engineering

This division is responsible for planning, engineering, design, and construction of the Town's infrastructure, including roads, sidewalks, drainage, and water and sewer mains. Led by the Town Engineer, the division provides a wide range of technical assistance to other divisions in the CPW, and to other Town departments, residents, businesses, institutions, and contractors, as well as to state and federal agencies. The division maintains Town plans and records, and oversees the design, procurement, construction, and inspection of Town infrastructure improvements. It also manages the Town's GIS system.

4. Highway and Grounds

This division is responsible for managing and maintaining the Town's public way, park, and cemetery infrastructure, as well as CPW equipment and buildings. Led by the Highway and Grounds Superintendent, the division is organized into the three sections. The **Highway/Park & Trees section** include the maintenance of Town roads, curbing, sidewalks, drain system, guardrails, and street signs. Services provided by this section include snow removal, street sweeping, litter control, roadside mowing and brush clearance, and CPW building maintenance. In addition, this section is responsible for the maintenance of active and passive recreation areas, traffic islands, municipal grounds, landscaping, public shade and park trees, and miscellaneous support services to other Town departments. The **Cemetery section** includes the operation, maintenance, and preservation of the Town's four cemeteries. Responsibilities include mowing, turf and tree care, gravemarker maintenance and preservation, and capital infrastructure upkeep and improvements. Cemetery staff prepares burial plots for interments, and manages related public events and public information. This section also provides liaison and support to the Town Cemetery Committee. The **Fleet Maintenance section** includes the repair, maintenance, and procurement of the CPW's vehicles and associated equipment, and oversight of one of the Town's two fuel dispensing stations.

5. Water and Sewer

This division is responsible for managing the Town's Water and Sewer Programs. Led by the Water and Sewer Superintendent, the division operates and maintains the Town's public drinking water system, consisting of groundwater and surface water sources, and the water pumping, treatment, distribution, and storage systems. The division is responsible for water source protection and conservation, and for meeting all associated federal and state drinking-water rules and regulations. The division is also responsible for maintaining and operating the Town's sewer collection, pumping, treatment, and disposal systems, including the 1.2-mgd wastewater treatment plant, and for meeting all associated federal and state wastewater rules and regulations. The maintenance and operation of the treatment plant are under contract, with operational and administrative oversight provided by the division. Town sewers serve approximately 30% of the Town. Division staff also provides winter maintenance support services for the Highway and Grounds Division.

IV. Board/Commission Involvement

One commission and one committee are closely involved in activities of Concord Public Works—the Public Works Commission and the Cemetery Committee. Their work is summarized below. In addition, the CPW works actively with the Wastewater Planning Committee in the development of the Town's Comprehensive Wastewater Management Plan.

1. Public Works Commission

The Public Works Commission, consisting of five members, is appointed by the Town Manager for staggered, three-year terms. The commission advises the Town Manager, the Director of Public Works, the Planning Board, and other Town boards on matters that concern Town water, sewerage, solid waste, drainage, and roads. The commission is responsible for setting policy and rate schedules for water, sewerage, and solid waste service, and approves minimum standards for, and the final layout of, Town roads.

2. Cemetery Committee

The Cemetery Committee has five members, appointed by the Town Manager for staggered three-year terms. The committee is responsible for oversight of the operation of Town cemeteries and burial grounds, and for establishing policies, regulations, and a schedule of charges.

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2006

(DECEMBER 31, 2005 FOR THE MUNICIPAL LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Electric Fund	Total
<u>ASSETS</u>				
Current:				
Cash and short-term investments	\$ 3,232,571	\$ 4,419,647	\$ 5,718,449	\$ 13,370,667
Investments	-	-	2,626,789	2,626,789
User fees, net of allowance for uncollectibles	560,998	277,612	2,819,542	3,658,152
Intergovernmental receivables	-	396,044	-	396,044
Inventory	43,411	-	-	43,411
Materials and supplies, at average cost	-	-	904,307	904,307
Prepaid expenses	-	-	353,516	353,516
Other assets	-	-	117,335	117,335
Total current assets	3,836,980	5,093,303	12,539,938	21,470,221
Noncurrent:				
Capital assets being depreciated, net	10,854,230	14,355,099	28,525,274	53,734,603
Capital assets not being depreciated	3,418,332	4,034,805	1,546,503	8,999,640
Total noncurrent assets	14,272,562	18,389,904	30,071,777	62,734,243
TOTAL ASSETS	18,109,542	23,483,207	42,611,715	84,204,464
<u>LIABILITIES</u>				
Current:				
Warrants payable	184,425	683,118	1,726,791	2,594,334
Accrued liabilities	147,866	91,431	367,431	606,728
Customer deposits	-	-	236,069	236,069
Provision for Boston Edison overcharge	-	-	320,076	320,076
Provision for rate stabilization	-	-	3,035,625	3,035,625
Notes payable	-	-	500,000	500,000
Other current liabilities	-	-	203,022	203,022
Current portion of long-term liabilities:				
Bonds payable	505,000	255,525	475,000	1,235,525
Accrued employee benefits	8,278	2,272	-	10,550
Total current liabilities	845,569	1,032,346	6,864,014	8,741,929
Noncurrent:				
Bonds payable, net of current portion	2,100,000	4,934,475	2,665,000	9,699,475
Accrued employee benefits, net of current portion	74,503	20,451	89,510	184,464
Total noncurrent liabilities	2,174,503	4,954,926	2,754,510	9,883,939
TOTAL LIABILITIES	3,020,072	5,987,272	9,618,524	18,625,868
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	11,667,562	13,569,947	26,931,777	52,169,286
Unrestricted	3,421,908	3,925,988	6,061,414	13,409,310
TOTAL NET ASSETS	\$ 15,089,470	\$ 17,495,935	\$ 32,993,191	\$ 65,578,596

See notes to financial statements.

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2006

(DECEMBER 31, 2005 FOR THE MUNICIPAL LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Electric Fund	Total
Operating Revenues:				
Charges for services	\$ 3,335,077	\$ 2,489,692	\$ 16,298,994	\$ 22,123,763
Total Operating Revenues	3,335,077	2,489,692	16,298,994	22,123,763
Operating Expenses:				
Personnel services	1,019,805	279,282	-	1,299,087
Non-personnel services	322,926	561,798	-	884,724
Depreciation	526,919	841,574	1,193,876	2,562,369
Electric operations	-	-	13,496,188	13,496,188
Total Operating Expenses	1,869,650	1,682,654	14,690,064	18,242,368
Operating Income	1,465,427	807,038	1,608,930	3,881,395
Nonoperating Revenues (Expenses):				
Investment income	132,053	203,641	242,954	578,648
Interest expense	(97,436)	(29,917)	(166,090)	(293,443)
Other nonoperating income, net	-	12,304	668,713	681,017
Total Nonoperating Revenues (Expenses), Net	34,617	186,028	745,577	966,222
Income Before Transfers	1,500,044	993,066	2,354,507	4,847,617
Transfers:				
Transfers out	(440,942)	(151,485)	(340,000)	(932,427)
Change in Net Assets	1,059,102	841,581	2,014,507	3,915,190
Net Assets at Beginning of Year, as restated	14,030,368	16,654,354	30,978,684	61,663,406
Net Assets at End of Year	\$ 15,089,470	\$ 17,495,935	\$ 32,993,191	\$ 65,578,596

See notes to financial statements.

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2006

(DECEMBER 31, 2005 FOR THE MUNICIPAL LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Electric Fund	Total
<u>Cash Flows From Operating Activities:</u>				
Receipts from customers and users	\$ 3,554,364	\$ 2,208,435	\$ 17,071,659	\$ 22,834,458
Payments to vendors and employees	(1,314,266)	(975,050)	(13,745,084)	(16,034,400)
Receipts from noncurrent deposits	-	-	6,715	6,715
Payments of refunds to customers	-	-	(218,706)	(218,706)
Net Cash Provided By Operating Activities	2,240,098	1,233,385	3,114,584	6,588,067
<u>Cash Flows From Noncapital Financing Activities:</u>				
Transfers out	(440,942)	(151,485)	(340,000)	(932,427)
Net Cash (Used for) Noncapital Financing Activities	(440,942)	(151,485)	(340,000)	(932,427)
<u>Cash Flows From Capital and Related Financing Activities:</u>				
Proceeds from issuance of bonds and notes	595,000	5,190,000	500,000	6,285,000
Acquisition and construction of capital assets	(1,508,941)	(6,001,259)	-	(7,510,200)
Acquisition and construction of utility plant	-	-	(2,929,059)	(2,929,059)
Net reductions to construction in progress	-	-	937,128	937,128
Principal payments on bonds and notes	(500,000)	(2,414,019)	(580,000)	(3,494,019)
Interest expense	(97,436)	(29,917)	(166,090)	(293,443)
Cost of bond anticipation note issuance	-	-	(650)	(650)
Net reductions to customer advances for construction	-	-	(25,720)	(25,720)
Net Cash (Used For) Capital and Related Financing Activities	(1,511,377)	(3,255,195)	(2,264,391)	(7,030,963)
<u>Cash Flows From Investing Activities:</u>				
Investment income	132,053	203,641	242,954	578,648
Sales of investment shares	-	-	3,595	3,595
Net Cash Provided By Investing Activities	132,053	203,641	246,549	582,243
Net Change in Cash and Short-Term Investments	419,832	(1,969,654)	756,742	(793,080)
Cash and Short-Term Investments, Beginning of Year	2,812,739	6,389,301	4,961,707	14,163,747
Cash and Short-Term Investments, End of Year	\$ 3,232,571	\$ 4,419,647	\$ 5,718,449	\$ 13,370,667
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>				
Operating income	\$ 1,465,427	\$ 807,038	\$ 1,608,930	\$ 3,881,395
Adjustments to reconcile operating income to net cash provided by operating activities:				
Other Income	-	-	384,497	384,497
Depreciation	526,919	841,574	1,193,876	2,562,369
Changes in assets and liabilities:				
User fees receivables	219,287	(293,561)	(64,802)	(139,076)
Inventory	(11,140)	-	-	(11,140)
Materials and supplies	-	-	(6,553)	(6,553)
Prepaid expenses	-	-	(42,331)	(42,331)
Noncurrent deposits with Town Treasurer	-	-	(218,706)	(218,706)
Warrants and accounts payable	51,450	97,187	-	148,637
Accrued liabilities	(19,441)	(222,780)	(200,012)	(442,233)
Other liabilities	7,596	3,927	-	11,523
Provisions	-	-	459,685	459,685
Net Cash Provided By Operating Activities	\$ 2,240,098	\$ 1,233,385	\$ 3,114,584	\$ 6,588,067

See notes to financial statements.

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Water Fund: Plan and Projection

SUMMARY	ACTUAL BUDGET		PROJECTION											10 years	
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Operating Revenue															
User fees	\$ 3,268	\$ 3,450	\$ 3,654	\$ 3,936	\$ 4,116	\$ 4,407	\$ 4,621	\$ 4,694	\$ 4,768	\$ 4,842	\$ 4,918	\$ 5,011	\$ 5,104	\$ 5,200	\$ 5,297
Other	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67
Subtotal	\$ 3,335	\$ 3,517	\$ 3,721	\$ 4,003	\$ 4,183	\$ 4,474	\$ 4,688	\$ 4,761	\$ 4,834	\$ 4,909	\$ 4,985	\$ 5,078	\$ 5,171	\$ 5,264	\$ 5,357
Operating Expense															
O&M	\$ 1,784	\$ 2,160	\$ 2,210	\$ 2,277	\$ 2,445	\$ 2,518	\$ 2,594	\$ 2,672	\$ 2,752	\$ 2,835	\$ 2,920	\$ 3,007	\$ 3,094	\$ 3,181	\$ 3,268
Depreciation & capital reserve	527	720	895	956	1,010	1,153	1,223	1,252	1,275	1,319	1,341	1,364	1,387	1,410	1,433
Subtotal	\$ 2,311	\$ 2,880	\$ 3,106	\$ 3,233	\$ 3,455	\$ 3,671	\$ 3,817	\$ 3,924	\$ 4,027	\$ 4,153	\$ 4,260	\$ 4,371	\$ 4,482	\$ 4,593	\$ 4,704
Operating Income	\$ 1,024	\$ 637	\$ 615	\$ 770	\$ 728	\$ 803	\$ 871	\$ 837	\$ 808	\$ 756	\$ 724	\$ 707	\$ 689	\$ 671	\$ 649
ADD: Interest income	\$ 132	\$ 122	\$ 120	\$ 88	\$ 100	\$ 110	\$ 113	\$ 119	\$ 119	\$ 120	\$ 134	\$ 152	\$ 176	\$ 200	\$ 224
LESS: Interest expense															
Existing debt	82	104	226	198	178	159	141	122	111	101	90	76	64	52	40
New debt	-	-	-	63	111	302	363	336	309	282	255	228	201	174	147
BAN	15	-	10	-	-	-	-	-	-	-	-	-	-	-	-
Other expense	-	35	13	11	40	16	-	-	-	-	-	-	-	-	-
Net Income	\$ 97	\$ 139	\$ 249	\$ 272	\$ 329	\$ 477	\$ 504	\$ 458	\$ 421	\$ 383	\$ 345	\$ 305	\$ 267	\$ 229	\$ 191
	\$ 1,059	\$ 621	\$ 487	\$ 586	\$ 499	\$ 436	\$ 481	\$ 498	\$ 506	\$ 493	\$ 514	\$ 555	\$ 596	\$ 637	\$ 678
Available Resources from:															
Net income	\$ 1,059	\$ 621	\$ 487	\$ 586	\$ 499	\$ 436	\$ 481	\$ 498	\$ 506	\$ 493	\$ 514	\$ 555	\$ 596	\$ 637	\$ 678
Depreciation expense	527	582	762	827	885	1,032	1,106	1,139	1,165	1,212	1,238	1,264	1,290	1,316	1,342
Capital reserve charge	-	138	133	129	125	121	117	113	110	106	103	99	95	91	87
BAN proceeds	\$ 1,586	\$ 1,341	\$ 1,382	\$ 1,542	\$ 1,509	\$ 1,588	\$ 1,704	\$ 1,750	\$ 1,781	\$ 1,812	\$ 1,854	\$ 1,919	\$ 1,994	\$ 2,069	\$ 2,144
Bond proceeds	\$ 1,000	\$ 3,500	\$ 1,250	\$ 1,100	\$ 4,000	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LESS: Principal repayment															
Existing debt	\$ 405	\$ 505	\$ 630	\$ 510	\$ 485	\$ 475	\$ 475	\$ 275	\$ 275	\$ 275	\$ 275	\$ 175	\$ 175	\$ 175	\$ 175
New debt	-	-	-	125	180	380	540	540	540	540	540	540	540	540	540
BAN Repayment	500	-	250	-	-	-	-	-	-	-	-	-	-	-	-
Net Available	\$ 1,681	\$ 4,586	\$ 1,752	\$ 2,007	\$ 4,844	\$ 2,333	\$ 689	\$ 935	\$ 966	\$ 997	\$ 1,039	\$ 1,204	\$ 1,379	\$ 1,554	\$ 1,729
Capital Plan	\$ 1,509	\$ 5,372	\$ 1,915	\$ 1,659	\$ 4,491	\$ 2,153	\$ 652	\$ 634	\$ 1,290	\$ 605	\$ 613	\$ 621	\$ 621	\$ 621	\$ 621
Working Capital															
Beginning balance	\$ 2,819	\$ 2,991	\$ 2,205	\$ 2,041	\$ 2,389	\$ 2,742	\$ 2,922	\$ 2,959	\$ 3,260	\$ 2,936	\$ 3,328	\$ 3,755	\$ 4,182	\$ 4,609	\$ 5,036
ADD: Net available	1,681	4,586	1,752	2,007	4,844	2,333	689	935	966	997	1,039	1,204	1,379	1,554	1,729
LESS: Planned capital	1,509	5,372	1,915	1,659	4,491	2,153	652	634	1,290	605	613	621	621	621	621
Ending Balance	\$ 2,991	\$ 2,205	\$ 2,041	\$ 2,389	\$ 2,742	\$ 2,922	\$ 2,959	\$ 3,260	\$ 2,936	\$ 3,328	\$ 3,755	\$ 4,182	\$ 4,609	\$ 5,036	\$ 5,463

Sewer Fund: Plan and Projection

	ACTUAL BUDGET		PROJECTION										10 years	
	FY06	FY07 ⁽¹⁾	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY08-17	
Operating Revenue														
User fees	\$ 1,824	\$ 1,874	\$ 1,974	\$ 2,079	\$ 2,190	\$ 2,306	\$ 2,429	\$ 2,558	\$ 2,695	\$ 2,838	\$ 2,989	\$ 3,148	\$ 25,207	
Other	101	107	107	109	111	114	116	119	122	124	127	130	1,179	
Subtotal	\$ 1,925	\$ 1,981	\$ 2,080	\$ 2,188	\$ 2,301	\$ 2,420	\$ 2,545	\$ 2,677	\$ 2,816	\$ 2,962	\$ 3,116	\$ 3,278	\$ 26,385	
Operating Expense														
O&M	\$ 987	\$ 1,128	\$ 1,212	\$ 1,310	\$ 1,473	\$ 1,517	\$ 1,563	\$ 1,610	\$ 1,658	\$ 1,708	\$ 1,759	\$ 1,812	\$ 15,621	
Depreciation	842	984	1,145	1,325	1,339	1,350	1,362	1,371	1,383	1,397	1,414	1,429	13,516	
Subtotal	\$ 1,828	\$ 2,112	\$ 2,358	\$ 2,635	\$ 2,812	\$ 2,867	\$ 2,925	\$ 2,980	\$ 3,041	\$ 3,105	\$ 3,173	\$ 3,240	\$ 29,137	
Operating Income	\$ 97	\$ (132)	\$ (277)	\$ (447)	\$ (511)	\$ (447)	\$ (380)	\$ (303)	\$ (225)	\$ (143)	\$ (57)	\$ 38	\$ (2,752)	
ADD: Interest income	\$ 204	\$ 200	\$ 191	\$ 116	\$ 110	\$ 104	\$ 103	\$ 107	\$ 111	\$ 119	\$ 130	\$ 138	\$ 1,228	
Betterment support - CWMP, Phase 1	\$ -	\$ 175	\$ 159	\$ 159	\$ 159	\$ 159	\$ 158	\$ 158	\$ 158	\$ 158	\$ 158	\$ 157	\$ 1,583	
Sewer Improvement Fees	577	170	93	43	43	43	43	43	43	43	43	43	481	
LESS: Interest expense														
Existing debt - GOB	-	38	34	31	27	23	19	16	12	9	5	-	176	
New debt - GOB	-	-	-	-	-	-	-	-	-	-	-	-	-	
CWMP bridge loan	30	-	-	-	-	-	-	-	-	-	-	-	-	
CWMP Phase 1 - Loan 04-01	-	80	52	49	47	45	42	40	37	34	32	29	406	
WWTP Loan	-	-	268	238	228	216	205	194	182	170	158	145	2,003	
EANS	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issuance expense	6	-	-	-	-	-	-	-	-	-	-	-	-	
Net Income	\$ 842	\$ 295	\$ (188)	\$ (448)	\$ (500)	\$ (426)	\$ (342)	\$ (244)	\$ (144)	\$ (36)	\$ 79	\$ 203	\$ (2,046)	
Available Resources from:														
Net income	\$ 842	\$ 295	\$ (188)	\$ (448)	\$ (500)	\$ (426)	\$ (342)	\$ (244)	\$ (144)	\$ (36)	\$ 79	\$ 203	\$ (2,046)	
Depreciation expense	842	984	1,145	1,325	1,339	1,350	1,362	1,371	1,383	1,397	1,414	1,429	13,516	
Bond proceeds (GOB)	\$ 1,683	\$ 1,279	\$ 957	\$ 878	\$ 838	\$ 924	\$ 1,021	\$ 1,127	\$ 1,240	\$ 1,361	\$ 1,493	\$ 1,631	\$ 11,470	
Loan proceeds - CWMP, Phase 1: 04-01	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Loan proceeds - WWTP 06-01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Loan proceeds - Principal repayments	\$ -	\$ 6,250	\$ 4,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,750	
LESS: Principal repayments														
Existing debt (GOB)	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	\$ 900	
CWMP Phase 1 - Loan 04-01	\$ -	\$ 95	\$ 107	\$ 110	\$ 112	\$ 114	\$ 116	\$ 119	\$ 121	\$ 124	\$ 126	\$ 129	\$ 1,177	
WWTP Loan 06-01	\$ -	\$ -	\$ 434	\$ 462	\$ 471	\$ 481	\$ 490	\$ 500	\$ 510	\$ 521	\$ 531	\$ 542	\$ 4,941	
Net Available Capital Plan	\$ 4,784	\$ 7,334	\$ 5,066	\$ 206	\$ 156	\$ 230	\$ 314	\$ 408	\$ 508	\$ 617	\$ 736	\$ 961	\$ 9,202	
Capital Plan	\$ 5,962	\$ 7,496	\$ 5,953	\$ 325	\$ 367	\$ 379	\$ 204	\$ 312	\$ 338	\$ 374	\$ 349	\$ 859	\$ 9,459	
Cash Position⁽²⁾														
Beginning balance	\$ 5,597	\$ 4,420	\$ 4,258	\$ 3,370	\$ 3,252	\$ 3,040	\$ 2,890	\$ 3,001	\$ 3,097	\$ 3,267	\$ 3,511	\$ 3,898		
ADD: Net available	4,784	7,334	5,066	206	156	230	314	408	508	617	736	961		
LESS: Planned capital	5,962	7,496	5,953	325	367	379	204	312	338	374	349	859		
Ending Balance	\$ 4,420	\$ 4,258	\$ 3,370	\$ 3,252	\$ 3,040	\$ 2,890	\$ 3,001	\$ 3,097	\$ 3,267	\$ 3,511	\$ 3,898	\$ 4,000		

⁽¹⁾ Updated plan for FY07.

⁽²⁾ Cash position may not fully account for non-cash changes in current assets and current liabilities.

A GLOSSARY OF TERMS COMMONLY USED IN MUNICIPAL FINANCE

Abatement: A complete or partial cancellation of a levy imposed by a governmental unit; applicable to tax levies and special assessments.

Accrual Basis: In the context of accounting, practice in which expenses and income are accounted for as they are earned or incurred, whether or not they have been received or paid.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and the time when it may be expended. Only a vote of Town Meeting or the School Committee can authorize money appropriated for one purpose to be used for another. Any amount which is appropriated may be encumbered. Any part of the general appropriation not spent or encumbered by June 30 automatically reverts to surplus. A specific or particular appropriation is carried forward from year to year until spent for the designated purpose or transferred by Town Meeting vote to another account.

Assessed Valuation: The value placed upon a particular property by the local Board of Assessors for the purpose of apportioning the Town's tax levy among individual property owners equitably and in accordance with the legal requirement that property be assessed at "full and fair cash value," certified periodically by the Commonwealth's Commissioner of Revenue (no less frequently than once every three years).

Audit: Work done by accountants in examining financial reports, reviewing compliance with applicable laws and regulations, reviewing efficiency and economy of operations, and reviewing effectiveness in achieving program results. A basic audit examines only the financial reports and legal compliance. An outside Certified Public Accountant (CPA) audit is directed primarily toward the expression of an opinion as to the fairness of the financial statements and submission of a management letter. An auditor must be independent of the executive branch of government. A state auditor, private CPA, or public accountant, or elected auditor meets this test.

Balance Sheet: A statement which discloses the assets, liabilities, reserves, and equities of a fund or government unit at a specified date.

Balanced Budget: A plan of financial operation in which the estimate of proposed expenditures for a given period is less than or equal to the proposed means of financing these expenditures (from various sources of funds or revenues).

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period (usually a 12-month period referred to as the Fiscal Year, or FY) and the proposed means of financing them. A budget may be preliminary (the financial plan presented to the Town Meeting) or final (the plan approved by that body).

Capital Budget: A plan of proposed capital outlays, and the means of financing them for the current fiscal period. It is usually a part of the current budget but may also be a multi-year plan.

Capital Improvement: A major, non-recurring expenditure involving one of the following:
a. Real Property - Includes the purchase or lease of land, existing buildings and appurtenant structures, and fixtures attached to land and buildings.

b. **Equipment** - Includes the replacement or addition of major items of equipment with a life expectancy of at least two years and a cost of at least \$5,000. Similar items can be bundled together.

c. **Projects** - Include activities such as the following:

1. Construction of new buildings or facilities (including architectural, engineering, and related fees).
2. Improvements or major repairs (costing \$5,000 or more) of existing buildings or facilities, aside from routine maintenance.
3. Studies or other activities (costing \$5,000 or more) that either relate to future "brick and mortar" projects, or are a part of a multi-year program of infrastructure improvements.
4. An annual sum available for routine building improvements, renovations, or repairs.

Cherry Sheet: An annual statement received from the Massachusetts Department of Revenue (DOR) detailing estimated receipts for the next fiscal year from the various state aid accounts, and estimated state and county government charges payable by the Town, and included by the local Assessors in setting the tax rate. The actual receipts and charges may vary from the estimates.

Classification: The division of property valuations by type of property. There are five classes: Residential, Open Space, Commercial, Industrial, and Personal. The Selectmen may set as many as three different tax rates (within limits set forth in state law): for residences, for business and personal, and for open space.

Debt Service: Payment of interest and principal related to long term debt.

Depreciation: A non-cash expense (also known as non-cash charge) that provides a source of available funds. Amount allocated during the period to amortize the cost of acquiring long-term assets over the useful life of the assets. This is an accounting expense not a real expense that demands cash.

Encumbrance: Obligations such as purchase orders, contracts, or salary commitments that are chargeable to an appropriation, and for which a part of the appropriation is reserved.

Enterprise Fund: A fiscal entity with a self-balancing set of accounts that is utilized to account for a governmental service when it is the intent to recover the total cost of service, including depreciation, primarily through user charges imposed on the consumers of the service. Examples in Concord include: electricity provided by the Concord Municipal Light Plant, and Water and Sewer services provided by the Department of Public Works.

Equalized Valuation (EQV): The value of all property as determined by the Commissioner of Revenue biennially, using a standard of "full and fair value"; also referred to as EQV.

Expenditure: The spending of money by the Town for the programs or projects within the approved budget.

Fiscal Year (FY): A 12-month period, commencing July 1 and ending June 30, to which the annual budget applies, and at the end of which a governmental unit determines its financial position and the results of its operations. The number of the fiscal year is that of the calendar year in which it ends; FY2006 is the fiscal year which ends June 30, 2006.

Free Cash: Referred to by statute as "undesignated fund balance". Certified each July 1 by the state, this is the portion of **Fund Balance** available for appropriation. It is not cash, but rather is approximately the total of cash and receivables, less current liabilities and earmarked reserves, reduced also by reserves for uncollected taxes.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Balance: The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to the stockholders equity account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected (see **Free Cash**).

General Fund: The fund into which the general (non-earmarked) revenues of the Town are deposited, and from which money is appropriated to pay expenses.

General Obligation Bonds: Bonds issued by the Town that are backed by the full faith and credit of its taxing authority.

Land Fund: A fund established by Town bylaw in FY1986 to which may be added an annual appropriation, gifts, and grants. The use of the fund is restricted to the acquisition of land, debt service on designated land purchases, and related costs, such as legal and appraisal fees.

Overlay: The amount raised from the property tax levy in excess of appropriations and other charges. It cannot exceed 5 percent of the levy, and is used to cover abatements and exemptions granted locally or on appeal.

Overlay Surplus: The unused portions of **overlay** accounts from previous years; at the end of each fiscal year, this amount is computed from information provided by the Board of Assessors. Any sum so designated is transferred to, and becomes part of, the General Fund undesignated fund balance.

Override: A vote to increase the amount of property tax revenue that may be raised over the levy limit set by **Proposition 2½**.

Personal Services: The cost of salaries, wages, and related employment benefits.

Property Tax Levy: The amount produced by multiplying the assessed valuation of property by the tax rate. The tax rate is expressed per thousand dollars of assessed valuation. For example:

<i>House Value:</i>	\$500,000
<i>Tax Rate:</i>	\$9.83 (which means \$9.83 per thousand \$\$ of valuation)
<i>Levy Calculation:</i>	\$9.83 multiplied by \$500,000 divided by \$1,000.
<i>Result, Property Tax Levy:</i>	\$4,915

Proposition 2½ (see below): A tax limitation measure passed by Massachusetts voters in 1980 that limits the growth of the total property tax levy to 2.5% per year. New construction values are added to this limit. Two provisions of Prop 2½, so-called, allow the Town to raise taxes above this tax levy limit, upon approval by a Town-wide vote: an operating override or a debt exclusion.

Purchased Services: The cost of services that are provided by a vendor.

Reserve Fund: A fund appropriated each year that may be used only by vote of the Finance Committee for "extraordinary or unforeseen expenditures."

Revolving Fund: Those funds that may be used without **appropriation**, and that are established for special uses. Fees (such as for recreation) may be paid into a revolving fund. Revolving funds are established directly by state law or by Town bylaw consistent with state law.

Tax Levy: Total amount of dollars assessed in property taxes by the Town each **fiscal year**.

Warrant: A list of items to be voted upon at Town Meeting.

Terms Associated with Proposition 2½

Excess Levy Capacity: The difference between the Town's maximum annual tax levy limit as established by Proposition 2½, and its actual **tax levy** for the current year. It is additional **tax levy** that a town could raise without asking voters for an **override** or debt exclusion.

Growth Revenue: The amount of property tax revenue that the Town can add to its allowable tax levy as a result of new construction, alterations, subdivision, or change of use of a parcel.

Primary Levy Limit, or Absolute Limit: 2.5 percent of certified full and fair cash value of taxable property.

Secondary Levy Limit, or Annual Levy Limit: Prior levy limit plus 2.5 percent (base) plus **growth revenue**.

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